

COMMENTARY

The Orange County Register • Sunday, March 25, 2001

TACKLING CALIFORNIA'S ELECTRICITY CRISIS

"Small business – part of the solution. . ."



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California's 800,000 small businesses are likely to be the biggest losers in this winter's energy crisis. Many of these firms operate on slim profit margins so the threat of rolling blackouts and increased electric bills hangs over them like a dark cloud. But this cloud has a silver lining: increasing energy efficiency can help small businesses weather the current crisis and increase profits over the long haul.

Small businesses account for over half of all commercial energy use in the state. If California's 73,000 restaurants saved 30 percent of their electric energy use, California can expect to reduce electric demand by about 1,500-megawatts. (one megawatt of power provides electricity to 1,000 homes. Recent blackouts were caused by shortages of 500 megawatts.)

Surprisingly, the tools small businesses need to be part of the solution are readily available. Some are quite simple and inexpensive. Here are a few low-risk/high-return technologies that small businesses could routinely install:

- Compact fluorescent lamps to replace incandescent lamps;
- Set-back or programmable thermostats for heating/air-conditioning;
- Light Emitting Diode (LED) exit signs; and
- Motion sensors to automatically turn lights off/on.

Small businesses could also change HVAC filters monthly, insulate the first three feet of hot water pipe from the water heater, and schedule HVAC tune-ups to ensure that the system is performing at optimal efficiency. When buying new equipment, small businesses should look for the Energy Star label, which identifies hundreds of energy efficient office and consumer products.

Off-the-shelf technologies are now available to provide energy when brownouts occur and also a hedge against even higher energy prices. There are, for example, various cost-competitive solar water heaters suitable for many small businesses, such as cafeterias and laundries. And solar electric systems (photo-

voltaics) are now commonly used by small firms to produce mid-day electricity or add "on time" to existing battery back-up systems.

These energy efficiency measures can help small businesses in several ways:

● **Find our own solutions.** Small business owners are self reliant and independent by nature. Taking advantage of presently available energy efficiency options will allow us to solve problems without relying or depending on what goes on in Washington, Sacramento or the executive offices of Southern California Edison or PG&E. Smarter energy use puts small business owners in charge of our own futures.

● **Act now.** Other solutions being proposed may be a long time in coming. Energy efficiency upgrades can be achieved relatively quickly and the benefits begin immediately.

● **Save money.** Energy efficiency upgrades pay for themselves in decreased utility bills. Overall, California's small businesses could save billions of dollars through more efficient energy use.

As lawmakers and utility executives argue over the best way to solve California's already devastating energy problems, many are concerned that environmental concerns will be tossed aside in the rush to find solutions. Happily, increased energy efficiency actually helps the environment. Small businesses that want to check out their energy efficiency options should go to www.epa.gov/smallbiz, the Web site for US EPA's Energy Star for Small Business. Small businesses are the heart and soul of every California community, the state's economic engine and chief job creator. To keep our doors open, we need reliable and affordable energy supplies. And to raise our families, we need a clean and healthy environment. That's why energy efficiency should be the cornerstone of short- and long-term solutions to the state's energy problems.

It's affordable; it's effective; it protects the environment; and we can do it ourselves – now!